



Construction Program Procedure Bulletin

CPB 99-5.1 Addendum, FHWA Approval, Contract Change Order Approval Delegation

References: Standard Specification, Section 4-1.03
Construction Manual, Section 2-50
June 7, 1993, Memorandum "Policy on Delegation of CCO Approvals to
Lowest Levels"
February 9, 1999, Memorandum "Construction Delegation of Authority"

Effective Date: March 21, 2000

Approved: _____
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Acting Program Manager

Approval Date: March 21, 2000

ADDENDUM

CPB 99-5 is hereby revised and replaced by this CPB 99-5.1. This revision corrects the FHWA approval requirement for Non-Exempt (Suffix "N") Interstate projects, as it was erroneously described in the "Note" within the "New Procedure" section of the previously approved CPB 99-5. FHWA approval is not needed for time extensions, nor was it required prior to CPB 99-5.

BACKGROUND

The delegation of authority to approve contract change orders (CCO's) has been in existence since the 1990 version of the Construction Manual and is hereby revised to increase the level of delegation to the District.

EXISTING PROCEDURE

The District or Regional Construction Office approves all CCO's except those that require Construction Program's approval, as described on page 2-50-12 of the 1990-1 version of the Construction Manual. The dollar limit described in sub-paragraph 1.e. was increased from \$50,000 to \$100,000 in a memo dated June 7, 1993. This same memo gave dollar limits and guidelines to authorize sub-delegation of CCO approvals to Construction Engineers and Resident Engineers. District and Regional authority to approve CCO's is subject to the limits defined in the Construction Program Manager's Memorandum to the District Directors dated February 9, 1999, regarding Construction Delegation of Authority.

NEW PROCEDURE

This new procedure supercedes and amends the above-described existing procedure. Regardless of delegation, districts and regions may only proceed with CCO's that are within the Contract Scope.

A Contract Change is a revision or addition that is necessary to complete the work as originally contemplated. A change in Contract Scope requires an approved "Best Interest Letter" before processing a contract change order. The Construction Program Manager approves "Best Interest Letters".

Construction Program approval is required on the following types of CCO's prior to executing the CCO and commencing the work:

1. Any revision or addition in the contract increasing by \$200,000 or more in the contract cost or approved supplemental work included in the Detailed Estimate. Once this threshold is reached, each supplemental CCO also requires Construction Program prior approval.
2. Any change in specifications (with the exception of "Lane Requirements and Hours of Work" charts), method of payment, method of materials processing, type or quality of materials to be furnished (with the exception of minor building materials), or proprietary material for which specific or blanket approval has not been previously received.
3. Any change which results in a contract time extension of 20 or more working days. Additionally, if time is extended by more than 20% of the original contract working days, then that change and each subsequent CCO to extend time will require Construction Program prior approval.

Note: On Non-Exempt (suffix "N") Interstate projects, Item Numbers 1 and 2 above also require Federal Highway approval prior to executing the CCO and commencing work.

District or Region Delegation of Approval of Contract Change Orders

District and Region approval of CCO's may not be delegated below the level of senior-level Resident Engineer or Construction Engineer. Within this delegation, senior-level Resident Engineers or Construction Engineers may be given authority to approve CCO's that increase the contract cost or approved supplemental work by up to \$50,000.

Only the Construction Program or the District/Region Division Chiefs of Construction may approve CCO's for Cost Reduction Incentive Proposals. As with any revision to standard or project specific design elements, Project Engineer concurrence is also required prior to approving CCO's to implement Cost Reduction Incentive Proposals.

On sensitive or complex CCO's, Districts and Regions are encouraged to submit draft CCO's to the Construction Program for review and recommendation prior to preparation of the final CCO. In following this practice, however, the work should be discussed with the Contractor in the usual manner.

This procedure will be incorporated into the next revision of Chapter 2-50 of the Construction Manual and is available on the Construction Program's Intranet web site: <http://babycray2.caltrans.ca.gov/hq/construc/cpbindx.htm>.

DS:dk/sf